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Executive Director
Kerry Morrison

October 19, 1998

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phone 213 463 6767 fax 213 463 1839

TO: Mike Vitkiewicz, Manager
Special Assessments Unit
Office of the City Clerk

FROM: Kerry Morrison *Kerry Morrison*
Executive Director
Hollywood Entertainment District

SUBJECT: Third Quarter Report
July 1 through September 30, 1998

As is required in our Agreement with the city of Los Angeles, I am submitting our Third Quarter Report to summarize key activities of the Hollywood Entertainment District. The third quarter was focussed upon successfully bringing to closure the process of forming the Phase II Hollywood Entertainment District, through an election and city council hearings. Additionally, virtually all of the marketing-related projects associated with the HCIP grant were completed or encumbered. Negotiations also commenced with the CRA to extend security east of the BID, utilizing HCIP funds.

I. Operational Issues

- The HED received a "mini-windfall" during this quarter of approximately \$56,000 in assessment revenues that were not budgeted for this year. This resulted from several buildings coming current on the property assessment. The Board made several adjustments to the budget for the year: (a) augmenting the maintenance budget by \$10,000; (b) augmenting the security budget by \$15,000; and (c) augmenting temporary help by an amount not to exceed \$5,000. The remaining surplus will go into reserves at the end of the year.

II. Security

- Discussions continued with the CRA relative to the prospect of the HED assuming responsibility for security patrol along the MTA transit corridor (LaBrea to Western). Given the small amount of the contract (approximately \$300,000) the Board decided to

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deploy the lion's share of the resources in the Boulevard area east of the existing BID. Morrison attended a public hearing of the CRA Board to testify in favor of this arrangement on August 13 and a city council hearing on September 16, and a contract amendment was formulated between the CRA and HED to accept these funds. The amendment cannot be executed until the CRA and MTA complete an amended Memorandum of Understanding (perhaps in late October or early November).

III. Maintenance

- The HED Board extended the contract with the Hollywood Beautification Team through April 30, 1998, at an amount not to exceed \$97,000.

IV. Streetscape Issues

- ▶ The HED is attempting to assist owners of street cafes with receiving their recorded Waiver of Damages from the County Recorder. Proof of insurance has also been submitted to the city. Each owner has been given explicit instructions as to how to pay fees at the Sewer Counter downtown. Four of the five cafes have upgraded their furniture; one remains.
- ▶ The HED testified at a public hearing in front of the Public Works Committee on August 10, 1998 relative to the contract under negotiation between the city and Norman Bench Ads. Kerry Morrison testified that business improvement districts should have the ability to request removal of "rent-a-benches" when there is a more appropriate alternative. The Public Works committee agreed with this provision, and forwarded this recommendation onto the City Council.
- ▶ The HED facilitated two property owner meetings during this quarter to ensure adequate input into the "Hollywood Boulevard/Vine Street/Highland Avenue Pedestrian Oriented District Plan." One was held on July 17 and a second on July 31.
- ▶ Street Use inspectors from the Bureau of Public Works conducted a sweep of the BID area, at the HED's request, during the week of September 28 to cite illegal telephones (attached to sidewalks) and other paraphernalia on the public sidewalks.

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V. MTA/CRA Grant

- ▶ During this quarter, the Marketing Committee met with Dave Wilcox of ERA to review progress on the benchmarking survey. Also, pedestrian counts at five different areas in the BID were conducted during the month of August. The final report was delivered to the Board by Dave Wilcox at their meeting on September 17.
- ▶ The updates to the HED website (<http://www.hollywoodbid.org>) were completed and a demonstration of the new site was provided to the Board on July 16.
- ▶ The HED took the lead to raise funds to create a Visitor's Guide and Map to the Hollywood Entertainment District. Utilizing marketing funds from the HCIP grant, the District matched funds raised by 22 participating businesses. By August 14, the brochures arrived and distribution began within the BID. The cost of the project was \$29,000 for 300,000 visitor guides.
- ▶ Requests for Proposals were sent to approximately 10 marketing/PR consultants on July 24. Four proposals were received back by the deadline on August 28, and all four candidates were interviewed by a committee on September 10, 1998. Kim Sudhalter, Sudhalter Communications, was hired for one year on a \$5,000 monthly retainer. Funds will come from the HCIP grant.

VI. BID Expansion

- ▶ The City Clerk mailed Prop 218 ballots to the property owners in the Phase II expansion area on July 2. Property owners had until the final public hearing, August 18, to mail their ballots back to the City Clerk's office. When the ballots were tabulated, the ballots in favor exceed ballots opposed by approximately 2:1.
- ▶ During this quarter, three public hearings were conducted relative to the Phase II BID expansion: July 1, July 15 and August 18. The City Council approved the ordinance establishing the Hollywood Entertainment District - Phase II on August 18. At this

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meeting, 27 parcels in Zone III (north of Yucca) were excluded from the BID.

- ▶ In parallel with the due process associated with forming the BID, a Nominating Committee was formed consisting of representatives from the existing Board and the Steering Committee to guide the expansion of the board of directors. A mailing was sent to all property owners on July 9 requesting applicants for the Board of Directors. By the 7/30/98 deadline, there were 19 property owners interested in serving on the Board. The Nominating Committee met on August 4, and again on August 11 to winnow that list down to a slate of eight nominees. The slate was mailed to all property owners on August 18 and it was not contested. The new directors will be elected on November 19, 1999.
- ▶ The Community Economic Development Committee approved an expenditure of up to \$43,000 to support the Phase II BID expansion at a meeting held on August 3. The city council approved this shortly thereafter. The next step involves formulating a contract amendment between the existing contract between the HED and the City Clerk's office to (1) reimburse the HED for staff time and funds expended dating back to January 1, 1998; and (2) pay for temporary help until November 4, 1998 when the HUD grant reverts back to Washington.
- ▶ The law firm Sheppard, Mullin, Richter and Hampton LLP are providing pro bono legal assistance to the HED on issues related to the expansion of the District. Draft bylaws were reviewed by both the HED Board of Directors and the Phase II Steering Committee in June and adopted by the Board on August 27, 1998.
- ▶ The Directors-elect began attending HED Board meetings as guests on September 17 in order to become familiar with the operations and issues of the Board. The Directors-elect are: Michel Bolour (Bolour Trust), Renee Cohen (Schenley Trust), Pietra DuBuclet (M+S Management), Judy Franklin (Hollywood Horizons Parking), David Gajda (Hollywood Software, Inc.), David Green (Nederlander West Coast), Raphy Nissel (Rita Apartments), and Ed Zorehkey (Frederick's of Hollywood).

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VII. Other

- ▶ The BID hosted a luncheon between a small group of Phase I and Phase II property owners and Supervisor Zev Yaroslavsky on July 29.
- ▶ The *Westside Weekly* of the *L.A. Times* asked Kerry Morrison to be an occasional guest columnist. Her first column was published Labor Day weekend.
- ▶ Kerry Morrison addressed the Hollywood Chapter of the Rotary Club on September 22.

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